

Infratil

Notice of Meeting
2015



The Shareholders Infratil Limited

31 July 2015

Shareholders have already received Infratil's 2015 Annual Report in which I, and Marko Bogoevski on behalf of the manager, H.R.L. Morrison & Co, comment on the activities of Infratil over the past year and on the future prospects for Infratil.

The Annual Meeting is in Wellington this year. A number of matters are to come before shareholders for voting at the Annual Meeting. These include:

- The re-election of Mr Paul Gough and Mr Humphry Rolleston as directors;
- Setting the aggregate fees payable to directors of Infratil by Infratil and any of its subsidiary companies; and
- Authorisation for the Directors to fix the auditor's remuneration.

Paul and Humphry are highly valued directors and the Board supports their re-election.

Over recent years Infratil has increased the fees paid to its directors to reflect wage price inflation. This year the Board engaged an external advisor to undertake a benchmarking exercise and to provide a comparative market analysis of director remuneration. The advisor has provided the Board with guidance in respect of the level of fees which are appropriate for directors of companies of a comparable scale and complexity in New Zealand.

The advice received indicates that the fees currently received by the directors of Infratil Limited are slightly below the median levels. It is important that Infratil directors' fees do not fall out of step with the market and that the fees reflect the commitment required of an Infratil director.

As such the Board proposes a modest increase in the directors' fee pool of \$44,068, from \$896,855 to \$940,923 (an increase of 5%). Details of the directors' fees for which approval is sought are set out in the Notice of Meeting.

The Notice of Meeting that follows also includes a Disclosure Document (Annexure A) describing the Share Buyback Programme which Infratil has decided to continue. Your directors consider that, from time to time, buying back shares may be the best use of Infratil's funds. Accordingly, Infratil wishes to keep open that investment opportunity for the next 12 months, as it has done for a number of years.

I look forward to seeing you at the Annual Meeting, presenting our results and answering any questions you may have.

Yours sincerely,



Mark Tume
Chairman

Notice of Annual Meeting

Notice is hereby given pursuant to section 120 of the Companies Act 1993 that the 2015 Annual Meeting of shareholders of Infratil Limited (the “Company”) will be held in the Oceania Room, Museum of New Zealand Te Papa Tongarewa, 55 Cable Street, Wellington on Friday 21 August 2015, commencing at 2:30 pm.

Business

- A. Chairman’s Introduction
- B. Chief Executive’s Review
- C. Presentation of the Annual Report for the year ended 31 March 2015 and the report of the auditor.

To receive and consider the Annual Report of the Company for the year ended 31 March 2015. It is intended to provide an opportunity for shareholders to raise questions on the Report and on the performance and management of the Company generally.

D. Resolutions

To consider and, if thought fit, pass the following ordinary resolutions:

1. **Re-election of Mr Paul Gough:** That Paul Gough who retires by rotation in accordance with the Company’s constitution, NZX Main Board Listing Rule 3.3.11, and ASX Listing Rule 14.4, and is eligible for re-election, be re-elected as a director of the Company.
2. **Re-election of Mr Humphry Rolleston:** That Humphry Rolleston who retires by rotation in accordance with the Company’s constitution, NZX Main Board Listing Rule 3.3.11, and ASX Listing Rule 14.4, and is eligible for re-election, be re-elected as a director of the Company.
3. **Directors’ remuneration:** That the aggregate maximum remuneration payable to directors of the Company by the Company and any of its subsidiaries be authorised, in accordance with NZX Main Board Listing Rule 3.5.1 and ASX Listing Rule 10.17 as \$940,923 per annum (an increase of \$44,068 from 2014), plus GST.

Such aggregate amounts may be divided amongst the relevant directors and the Company and its subsidiaries as the directors deem appropriate. This aggregate maximum remuneration excludes directors’ fees payable to directors of the Company by Trustpower Limited (which is a subsidiary of the Company and is separately listed on the NZX Main Board) in accordance with the NZX Main Board Listing Rule 3.5.1 and the ASX Listing Rules.

4. **Auditor’s remuneration:** That the Directors be authorised to fix the auditor’s remuneration.

Ordinary Resolutions

Each resolution set out above is to be considered as a separate ordinary resolution. To be passed, each resolution requires a simple majority of votes of holders of ordinary shares of the Company, entitled to vote and voting.

Voting Exclusions

Resolution 3: Pursuant to the NZX Main Board Listing Rules and the ASX Listing Rules, the directors and their associated persons are prohibited from voting in respect of Resolution 3.

The restriction described above applies where the relevant person has been appointed as a discretionary proxy. The Company will disregard any votes cast by any such person on the relevant resolution. However, the Company need not disregard a vote if it is cast by any such person as proxy for a person who is entitled to vote, in accordance with the express directions of that person on the proxy form as to how to vote.

Proxies

Any shareholder of the Company who is entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote instead of him or her. A proxy does not need to be a shareholder of the Company. The Chairman of the Meeting is prepared to act as proxy. Any un-directed votes in respect of a resolution, where the Chairman of the Meeting is appointed as a proxy, will be voted in favour of the relevant resolution, other than when he or she is prohibited from voting on that resolution. A shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the shareholder does not specify the

proportion of the shareholder's voting rights each proxy is to represent, each proxy will be entitled to exercise half the shareholder's votes.

To appoint a proxy you can complete and sign the enclosed Proxy Form and return it by delivery, mail, facsimile or scan and email to the share registrar of the Company or lodge online:

Delivery by hand:

Infratil Limited

C/- Link Market Services Limited
Level 7 Zurich House, 21 Queen Street
Auckland 1010, New Zealand

Mail:

Infratil Limited

C/- Link Market Services Limited
PO Box 91976
Victoria Street West
Auckland 1142, New Zealand

Facsimile: +64 9 375 5990

Scan and email: meetings@linkmarketservices.co.nz

Please put the words "Infratil Proxy Form" in the subject line for ease of identification

Online: You may lodge your proxy online, go to:
vote.linkmarketservices.com/IFT

You will require your holder number and FIN (New Zealand register) or your holder number and postcode (Australian register) to complete your vote.

A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by the share registrar or online appointment must be completed by no later than 48 hours before the Annual Meeting, being 2.30 pm on 19 August 2015. Voting entitlements of the Annual Meeting will also be determined as at this time. Registered shareholders at that time will be the only persons entitled to vote at the Annual Meeting and only the shares registered in those holders' names at that time may be voted at the Annual Meeting.

NZX and ASX Approval

This Notice of Meeting is in compliance with the NZX Main Board Listing Rules and has been approved by ASX.

Explanatory Notes

Resolutions 1 and 2: Re-Election of Directors

The Board of the Company considers that Messrs Gough and Rolleston will be Independent Directors (for the purposes of the NZX Main Board Listing Rules and the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice (the "ASX Principles")) if re-elected to the Board.

Mr Gough joined the Infratil Board in 2012. He is a partner in the UK private equity fund STAR Capital Partners with responsibility for investments in the transport and energy sectors. He is a director of several international companies and previously worked for Credit Suisse First Boston in New Zealand and London. Mr Gough has a Bachelor of Commerce, with First Class honours, from the University of Otago.

Mr Rolleston has been a director of the Company since 2006. He is a director of NZX listed companies Property for Industry, Mercer Group, and Sky Network Television and owns private companies involved in tourism, security, manufacturing and finance. He is a fellow of the New Zealand Institute of Directors and the Institute of Management.

Resolution 3: Directors' Remuneration

The Board's policy is to regularly review the level of directors' remuneration. The Board having considered the experience and responsibility of the directors, the size and scope of the Company, the level of governance, and the consequent time commitment, recommends to shareholders an increase in the quantum of fees paid to directors of the Company by \$38,793 to \$780,923 per annum (plus GST).

In addition, an aggregate maximum amount of \$160,000 per annum (plus GST) is recommended for directors of the Company who are also directors of any subsidiary company, being an increase of \$5,275.

This would mean that the aggregate maximum remuneration payable to directors of the Company by the Company and any of its subsidiaries will be \$940,923 per annum (plus GST), being an increase of \$44,068 per annum.

The total pool of \$940,923 (plus GST) may be divided among directors and subsidiaries as directors deem appropriate, but initially as set out below:

	2014 Approval	2015 Recom- mendation	Increase
Chairman (inclusive of committee fees)	168,427	180,000	11,573
Other directors' base fee	84,213	90,000	5,787
Overseas directors' base fee	105,267	112,501	7,234
Chair of Audit and Risk Committee	18,422	18,422	-
Member of Audit and Risk Committee	10,000	10,000	-
Fees paid to non-executive and executive directors of the Company by the Company	742,130	780,923	38,793
Fees paid to directors of the Company in their capacity as directors of subsidiary companies	154,725	160,000	5,275
TOTAL POOL	896,855	940,923	44,068

Totals above exclude GST or VAT where appropriate.

The above amounts exclude directors' fees payable by Trustpower Limited (which is a subsidiary of Infratil Limited and is separately listed on the NZX Main Board), in accordance with NZX Main Board Listing Rule 3.5.1 and the ASX Listing Rules.

No Infratil securities have been issued to Infratil's Non-Executive Directors under ASX Listing Rules 10.11 or 10.14 at any time in the last three years.

Resolution 4: Auditor's Remuneration

KPMG is automatically reappointed as auditor under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

Particulars of the Share Buyback Programme

For many years the Company has maintained a Share Buyback Programme. This programme has been successful in creating shareholder value and it is proposed that the Company continue one. The Share Buyback Programme needs to comply with the NZX Main Board and ASX Listing Rules. In accordance with the NZX Main Board Listing Rules the Share Buyback Programme will be undertaken as permitted by NZX Main Board Listing Rule 7.6. The primary intent is that shares be bought back as permitted by NZX Main Board Listing Rules 7.6.1(a) and (f). These rules allow the Company to make any offer pursuant to the procedures detailed in Section 60(1)(b)(ii) of the Companies Act 1993, or through NZX's order matching market, or through the order matching market of a 'Recognised Stock Exchange' (as defined in the NZX Main Board Listing Rules) and in compliance with Section 63 of the Companies Act 1993.

The Company notifies shareholders that in accordance with Sections 60(1)(b)(ii) or 63 of the Companies Act 1993 the Company may acquire up to a further 50 million ordinary shares (approximately 8.9% of the outstanding ordinary shares, excluding treasury stock). These shares may be bought on-market or off-market, but the combined total of further on-market and off-market purchases will not exceed 50 million ordinary shares. Off-market purchases will not be made from employees or directors of the Company or associated persons of directors.

The maximum price at which shares will be bought off-market is \$3.60 per share. The Company is not committing to buy shares at this or any other price and a decision as to any purchases will be made from time to time having regard to market conditions. No maximum price is specified for shares bought on-market, but the Company will always disclose the number of shares, and the price at which it bought them, whether on-market or off-market, before 9:30am on the business day following the purchase being made.

Whether the purchases are on-market or off-market, the directors will regularly reassess the situation and seek to purchase shares at prices that in their view represent the best value for shareholders.

The directors believe that, depending on market conditions and the Company's then current share price, having the Share Buyback Programme in place is a positive way of improving shareholder value and is fair to the Company and all shareholders.

The disclosure document required under the Companies Act 1993 is attached as Annexure A.

Annexure A: Companies Act Disclosure Document for Share Buyback Programme

In the 2014 Notice of Meeting the Company advised shareholders of its intention to continue its Share Buyback Programme, reserving the right to acquire up to 50 million of the Company's ordinary shares on issue. The maximum price of shares that could be bought off-market was \$3.25 per share, and no maximum price was specified for shares bought on-market. The Company has not acquired any ordinary shares under the Share Buyback Programme since the 2014 Notice of Meeting.

It is considered appropriate for the Company to continue the previously notified Share Buyback Programme, but with a new maximum price of \$3.60 per share for shares bought off-market, and reserve the right to buy back up to 50 million of the Company's ordinary shares on issue. This would represent approximately 8.9% of the outstanding ordinary shares, excluding treasury stock. These shares may be bought on-market or off-market, but the combined total of further on-market and off-market purchases may not exceed 50 million ordinary shares. Off-market purchases may also not be made from employees or directors of the Company or associated persons of directors.

This Disclosure Document sets out the information that the Companies Act 1993 requires be provided to shareholders annually while a Share Buyback Programme continues.

Terms of the Offer

On-market Buyback – Section 63 of the Companies Act 1993

- The Company may make one or more offers on the NZX market to all shareholders to acquire up to 50 million ordinary shares in the Company, pursuant to section 63 of the Companies Act 1993.
- Offers may be made between 21 August 2015 and 31 July 2016.
- The Company will pay the prevailing market price for the shares at the time of purchase. The Company is not obliged to make offers, and reserves the right to cease doing so at any time.

Off-market Buyback – Section 60(1)(b)(ii) of the Companies Act 1993

- The Company may make offers to one or more shareholders to acquire up to 50 million ordinary shares in the Company, pursuant to Section 60(1)(b)(ii) of the Companies Act 1993.
- Offers may be made between 21 August 2015 and 31 July 2016.
- The Company will pay the prevailing market price for the shares at the time of purchase. The price per share will not exceed \$3.60. The Company is not obliged to make offers, and reserves the right to cease doing so at any time.
- Buybacks made in compliance with Section 60(1)(b)(ii) of the Companies Act 1993 will not be made from any person who is a Director, Associated Person of a Director or an Employee (as those terms are defined in the NZX Main Board Listing Rules) of the Company and will not exceed 15% of the shares on issue at 21 August 2015.

Other Information Applicable to Both On-market and Off-market Buybacks

- The Company will not purchase any shares while it possesses any information that is materially price-sensitive but not publicly available. If the Company acquires price sensitive information, it will cease acquiring shares until the information is publicly disclosed or ceases to be materially price sensitive.

- The Company intends to hold up to 5% of its shares as Treasury Stock, from those shares first acquired. Treasury Stock comprises shares acquired and held by the Company in itself and which would otherwise be cancelled on acquisition. Subject to certain restrictions, Treasury Stock can be transferred, re-issued or cancelled by the Company.
- All on-market offers will be designed so that the proceeds of sales will not be taxable as dividends whilst off-market offers may be taxable as dividends, and imputation credits will not be attached to the proceeds. Shareholders who have special tax status, as a result, for example, of trading securities professionally, should consult their tax advisers.

Resolutions

To initiate the proposed offer the Board unanimously resolved on 13 July 2015:

- To continue the previously notified Share Buyback Programme beyond 22 July 2015, but with a new maximum price of \$3.60 per share for shares bought off-market, and reserve the right to make one or more offers on the NZX market to all shareholders to acquire up to 50 million ordinary shares in the Company pursuant to Sections 60(1)(b)(ii) (off-market buyback) and Section 63 (on-market buyback) of the Companies Act 1993 (the Act) in the period between 21 August 2015 and 31 July 2016.
- To pay the prevailing market price for the shares at the time of purchase, but for the purchases made pursuant to Section 60(1)(b)(ii) to pay not more than \$3.60 per share.
- In respect of an offer made pursuant to Section 60(1)(b)(ii):
 - That the acquisition is in the best interests of the Company;
 - That the acquisition is of benefit to the remaining shareholders;
 - That the terms of the offer and the consideration offered for the shares are fair and reasonable to the Company; and
 - That the terms of the offer and the consideration offered for the shares are fair and reasonable to the remaining shareholders.

- In respect of an offer made pursuant to Section 63:
 - That the acquisition is in the best interests of the Company and its shareholders; and
 - That the terms of the offer and the consideration offered for the shares are fair and reasonable to the Company and its shareholders.
- In each case, that it is not aware of any information that will not be disclosed to the shareholders:
 - which is material to an assessment of the value of the shares; and
 - as a result of which the terms of an offer and consideration offered for the shares are unfair to the shareholders accepting an offer.
- That the reasons for the Directors' conclusions in the Resolutions above are:
 - to maximise shareholder value. Acquiring shares where the share price is below \$3.60 may be considered by the Board (taking into account prevailing circumstances) to be an efficient use of capital; and
 - shareholders have total discretion to choose whether to participate in this buyback. There is no pressure to sell to the Company; and
 - the Company has in place reviews and procedures to ensure that it does not acquire shares during the period when material price sensitive information is known to the Company but is not available to shareholders.
- That the Board is satisfied that the Company will, immediately after acquiring the shares, satisfy the solvency test applied under Section 52 of the Companies Act 1993.
- That Messrs Marko Bogoievski, Kevin Baker, Philippa Harford, Mark Flesher and Jason Boyes of Morrison & Co Infrastructure Management Limited are authorised to sign such documents and do such other things as may be necessary or appropriate to complete the buyback.
- That until the Company holds shares in itself equating to 5% of the total number of shares on issue, such shares need not be cancelled but may be held as Treasury Stock by the Company itself.

Directors' Interests

Ordinary Shares (as at 17 July 2015)

	Ordinary Shares Beneficially Held	Ordinary Shares Non-Beneficially Held
A Muh	1,384,556	-
H J D Rolleston	39,427	-
D P Saville	-	35,519,418
M Tume	33,944	5,792
M Bogoievski	1,618,299	-
P Gough	173,670	-
A Gerry	18,555	-

This Disclosure Document is provided pursuant to Sections 61(5) and 63(6) of the Companies Act 1993 and complies with Sections 62 and 64 of the Companies Act 1993.

